

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

In re:

WATER'S EDGE LIMITED
PARTNERSHIP

Debtor

Chapter 11
Case No. 24-12445-CJP

**LIMITED OBJECTION OF CARBETTA ENTERPRISES, INC. TO THE DEBTOR'S
EMERGENCY MOTION FOR ENTRY OF ORDER (I) AUTHORIZING THE DEBTOR
TO OBTAIN JUNIOR SECURED POSTPETITION FINANCING; (II) GRANTING
LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS;
(III) AUTHORIZING USE OF CASH COLLATERAL; (IV) GRANTING ADEQUATE
PROTECTION; (V) MODIFYING THE AUTOMATIC STAY; (VI) SCHEDULING A
FINAL HEARING; AND (VII) GRANTING RELATED RELIEF**

Carabetta Enterprises, Inc. (“CEI”), the largest unsecured creditor in the Chapter 11 case of Water’s Edge Limited Partnership (the “Debtor”), files this Limited Objection to the Debtor’s Motion for Entry of an Order (I) Authorizing the Debtor To Obtain Junior Secured Postpetition Financing; (II) Granting Liens And Providing Superpriority Administrative Expense Status; (III) Authorizing Use Of Cash Collateral; (IV) Granting Adequate Protection; (V) Modifying The Automatic Stay; (VI) Scheduling A Final Hearing; And (VII) Granting Related Relief dated December 26, 2024 (Dkt. #34) (the “Emergency DIP Financing Motion”).

CEI does not oppose the Court’s entry of an order granting the Emergency DIP Financing Motion so long as any Interim DIP Financing Order entered by the Court does not impose any obligations on the Debtor under the proposed Letter of Intent (the “LOI”) by and between the Debtor and Eastern Acquisitions, LLC (“Eastern”) that is the subject of a separate Motion the Debtor filed on December 26, 2024 (Dkt. #35) (the “LOI Motion”). CEI files this Limited Objection out of an abundance of caution as the Debtor in Possession Financing Term Sheet

incorporates provisions of the LOI and because the proposed Interim DIP Financing Order at paragraph H subjects the DIP Lender's commitment to provide funding to the Debtor under the DIP Loan to this Court's entry of the LOI Order.

In further support of this Limited Objection, CEI states:

FACTUAL BACKGROUND

1. On December 5, 2024, the Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Court, United States Bankruptcy Code, District of Massachusetts, Case No. 24-12445-CJP.

2. The Debtor continues to operate as a debtor-in-possession under sections 1107 and 1108 of the Code.

3. On December 26, 2024, the Debtor filed both the Emergency DIP Financing Motion and LOI Motion. The Debtor sought emergency determination on the former but not the latter. The Court has scheduled a hearing on both the Emergency DIP Financing Motion and the LOI Motion on Monday, December 30, 2024, at 3:00 pm.

4. The LOI Motion sets forth the terms of a potential joint venture agreement with Eastern that, among other things, would give Eastern a majority interest in the parties' proposed joint venture agreement. For a variety of reasons, CEI believes the Court's determination of the LOI Motion is premature and understands that the Debtor shares this view.

5. CEI files this Limited Objection out of an abundance of caution, noting that the DIP Term Sheet attached to the Emergency DIP Financing Motion as an exhibit specifically references the LOI from Eastern, including in paragraphs (a), (d), (e) and (f) under the heading BANKUPTCY MILESTONES because the proposed Interim DIP Financing Order at paragraph

H subjects the DIP Lender's commitment to provide funding to the Debtor under the DIP Loan to this Court's entry of the LOI Order.

6. CEI will withdraw this Limited Objection on the condition that any Emergency DIP Financing Order clarifies that it does not impose any obligations on the Debtor under the proposed LOI with Eastern and that the LOI Motion should be heard at a later date to provide parties in interest with sufficient time to review its terms and potential alternatives.

WHEREFORE, CEI requests the entry of an Order denying the Emergency DIP Financing Motion unless it clarifies that it imposes no obligations on the Debtor under the proposed LOI with Eastern, and for such other and further relief as the Court deems just and proper.

CARABETTA ENTERPRISES, INC.

By its Attorneys,

/s/Mark W. Powers

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Dated: December 30, 2024

Certificate of Service

I hereby certify that on December 30, 2024, I electronically filed the foregoing document through the Court's ECF system that provides electronic notice on all parties receiving notice through the Court's CM/ECF system, including counsel to the Debtor, and the list of creditors attached hereto by electronic mail.

/s/Mark W. Powers
Mark W. Powers

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